(ii) Time period of export realization for non-status holder exporters increased to 12 months, at par with the Status holders. This facility which was available upto 03.06.09, has been extended for one more year;

(iii) PSU Banks, consequent to measures announced by RBI, reduced the margin money on Guarantees for export units.

Issue of 'country of origin' in ASEAN agreement

2167. SHRI SANTOSH BAGRODIA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the salient features of the recent Free Trade Agreement (FTA) with Association of South East Asian Nations (ASEAN);

(b) whether the issue of 'country of origin' has been addressed in the agreement considering that the countries of ASEAN could be having similar FTA with third trading entity; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) India and ASEAN have signed the Trade in Goods Agreement on 13th August, 2009 which is envisaged to come into force with effect from 1st January, 2010. The Agreement provides for exchange of tariff concessions by India and ASEAN countries during 01.01.2010 and 31.12.2024. Details are available at *http://commerce.gov.in/trade/international_ta_indasean.asp*.

(b) and (c) Yes, Sir. The Rules of Origin have been incorporated in the India — ASEAN Trade in Goods Agreement. As per these Rules, a product shall be deemed to be originating in a country if: (i) the ASEAN — India Free Trade Agreement (AIFTA) content is not less than 35 per cent of the Free on Board (FOB) value; and (ii) the non-originating materials have undergone at least a Change in Tariff Sub-Heading (CTSH) level of the Harmonized System, provided that the final process of the manufacture is performed within the territory of the exporting Party. The Rules also ensure that a product shall not be eligible for tariff concessions if only minimal operations such as packaging, labeling, washing, cutting, etc. are undertaken.

Impact of FTAs on domestic tea producers

2168. SHRI TIRUCHI SIVA:
SHRI SANTOSH BAGRODIA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Tea Board considered the impact of recent Free Trade Agreements (FTAs) on the domestic tea producers;

(b) whether the Board also considered the issue of 'country of origin' as few partners of the FTA could be having free trade agreements with any third trading entity;

(c) if so, what are their recommendations; and

(d) whether the recommendations of the Tea Board accommodated in the FTAs?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (d) Yes, Sir. While negotiating Free Trade Agreements (FTAs) Government holds consultation with all stakeholders including Tea Board. In so far as India-ASEAN Trade in Goods Agreement is concerned, inputs were obtained from the Tea Board and considered while finalizing the Agreement. The Indian-ASEAN FTA is not likely to adversely affect the tea industry as, even after gradual reduction of duty under FTA, rates of import duty will be high to protect the domestic tea industry. There are provisions for rules of origin under various FTAs which ensure substantial manufacturing in the final exporting country to avail tariff concessions in the importing country.

Impact of FTAs on domestic coffee producers

2169. SHRI SANTOSH BAGRODIA:
DR. E.M. SUDARSANA NATCHIAPPAN:
SHRI GOVINDRAO WAMANRAO ADIK:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Coffee Board considered the impact of recent Free Trade Agreements (FTAs) on the domestic coffee producers;

(b) whether the Board also consider the issue of 'country of origin', as a few partners of the FTA have trade agreements with any third trading entity;

(c) if so, what are their recommendations; and

(d) whether the recommendations of the Coffee Board accommodated in the FTAs?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (d) Yes, Sir. While negotiating Free Trade Agreements (FTAs) Government holds consultation with all stakeholders including Coffee Board. Insofar as India-ASEAN Trade in Goods Agreement is concerned inputs were obtained from the Coffee Board and considered while finalizing the Agreement. The India-ASEAN FTA is not likely to adversely affect the coffee industry as, even after gradual reduction of duty under FTA, rates of import duty will be still high to protect the domestic coffee industry. There are provisions for rules of origin under various FTAs which ensure substantial manufacturing in the final exporting country to avail tariff concessions in the importing country.

Implementation of NEIIPP, 2007

2170. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether attention of the Government is drawn by various organizations about the slow implementation of North East Industrial and Investment Promotion Policy (NEIIPP) 2007;